

EDGEFIELD COUNTY COUNCIL MINUTES
August 5, 2003

The Edgefield County Council regular meeting was held at 6:00 P. M. Tuesday, August 5, 2003, in the County Council Chambers, 225 Jeter Street, Edgefield, SC.

Members present

C. Monroe Kneece, Chairman
Willie C. Bright, Vice Chairman
Norman Dorn, Councilman
Joel D. Hudson, Councilman
B. Everette Kitchens, Councilman

Others present

Wayne Adams, County Administrator
John Byrd, County Attorney
Barbara Stark, Clerk to Council
and others as per list attached

Chairman Kneece called the meeting to order and Councilman Hudson gave the invocation. The Pledge of Allegiance to the Flag was recited.

Minutes

Motion was made by Councilman Bright, seconded by Councilman Hudson, to approve the July 8, 2003, Minutes of the Regular Meeting of Council, as amended. The correction: Page 3, second paragraph should read "and believe that the Chamber is a benefit to Edgefield County." Motion carried.

Reports

There were no comments concerning the reports.

Ordinances

Motion was made by Councilman Dorn, seconded by Councilman Kitchens to approve the third reading of Ordinance No. 03-04-437, "An Ordinance Jointly Enacted by the County of Edgefield and Certain Incorporated Municipalities within Edgefield County to Provide for a Centralized Countywide Recreation Program, and to Establish a County-Operated Special Revenue Fund for Purposes of Funding the Program's Activities." Motion carried unanimously.

Motion was made by Councilman Kitchens, seconded by Councilman Bright, to approve third reading of Ordinance No. 03-04-438, "An Ordinance Amending the Edgefield County Zoning Map to Change the Zoning Designation of Tax Map Parcel #174-00-00-029 from Industrial Development to General Agricultural Development (GD)." Motion carried unanimously.

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Motion was made by Councilman Hudson, seconded by Councilman Kitchens, to accept the third reading of Ordinance No 03-04-439, "An Ordinance Enacting and Adopting a Supplement to the Code of Ordinances for Edgefield County, South Carolina."

(Supplement #6) Motion carried unanimously.

New Business

Mr. Russell Marsh, SC Administrator of the Golden Harvest Food Bank addressed council concerning funding for the Food Bank. "The Golden Harvest Food Bank has been in existence since 1982 and in Aiken since 1990. We are experiencing a great amount of growth and we want to see that all of the areas are adequately served. Last year we distributed over a million pounds of food in the six-county service area. Edgefield County is one of the major areas we need to expand in. Since January 1, 2003, we have distributed 55,593 pounds in Edgefield County." Mr. Michael J. Firmin, Executive Director, spoke. Mr. Firmin stated that the Food Bank has a 13,000 square foot warehouse in Aiken to serve six counties in South Carolina. The problem right now is that as the need is growing, the food products are staying level. Rely 80% on donated food from the food industry and about 20% USDA products. Having a lot of trouble maintaining growth in the donated foods from the private industry and the USDA. This is why the food bank is having to purchase products which is the reason for coming before council for help in purchasing food, the items such as canned vegetables and canned meats. In addition to the need for operating expense specifically targeted to food purposes, there is also a need to expand the Aiken warehouse. There is a campaign taking place at the present to raise \$273,000 for the expansion. Mr. Firmin said they are asking for an allocation of funds in the amount of \$2,500 for food purchases specifically targeted to the residents of Edgefield County. Then, for the capital campaign whatever council gives toward that amount (3 year pledge-maybe \$2,000 a year for 3 years over the campaign period.) The chairman explained that the budget had been finalized for the year and right now did not know what could be done. Maybe council could receive this as information and maybe see what could be worked out. Motion was made by Councilman Dorn, seconded by Councilman Bright, to receive this funding request as information. Motion carried unanimously.

Mr. Frank Feltham, Chairman of the EC Hospital Trustees, and Mr. Sam Gregory, Hospital Administrator, were present to address the council. Mr. Feltham stated that the main purpose of their attending the meeting was to present the hospital budget, which begins 1 October and runs through 30 September, to conform with the federal fiscal year (Medicare). Requesting the same tax support as this year (5.6 mills). Around \$200,000 is what they are asking to supplement the almost seven million dollar budget. Mr. Feltham stated that apparently some of the action taken by the hospital board at the July meeting upset the council and he had talked with Mr. Kneece about this. Mr. Feltham: "The hospital board serves at the pleasure of county council, but not under the direction of county council. We are charged to operate the hospital in the best manner we can and we spend a lot of time on that. We have a lot of joint expertise that does that – decisions are

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well thought through before we make them. I don't mind answering for the board for any decisions we make if there is a question of why we make a decision. We don't respond well to criticism from the county council of the decisions we make without just giving us a chance of explaining why the decision was made. The decision we are talking about was to extend Quorum for three months. Quorum came back in and offered to cut their contract by 25%, and to keep them under contract. In March we were recovering but were still operating with a deficit, and the board, with some dissension, voted to cancel the contract or not continue the contract with Quorum effective the first of August. In July, we now had a positive bottom line at the hospital and they offered to cut the contract 25%. We have a very critical thing we are considering for the hospital called "critical access," becoming a critical access hospital. Rural Development paid a consulting company to come in (\$8,000) to present us this report that seems to favor us going to a critical access hospital. With my healthcare knowledge and our management knowledge, there were still things in there that did not make sense to us. The company is from Washington State and it would have cost \$8,000 to bring them here to explain it to us. We talked about a conference call but Quorum has expertise in that and that was one reason we needed them because it is a critical decision. There is only one other critical access hospital in South Carolina. North Carolina has a number of them. The bottom line was that they then offered to extend for three months at the new rate which went from \$16,800 to \$12,500 a month. Roughly, we are saving about that much in supplies under Quorum's purchasing contract, just a ballpark figures. But if we cancel the first of August and we had erroneously not lined up other purchasing contracts and allowed this contract to expire, then we would have to pay full retail for our supplies and would have cost us roughly another \$15,000 a month for supplies, drugs, etc. before we could get into another purchasing group. So, roughly it was a zero neutral budget to continue with Quorum and we needed their help for the next three months. We have no intention of continuing with Quorum past October 2003 - there is one month of \$12,500 in this budget starting in October because there was a three months extension there extended until the first of November. So, \$12,500 is all that is in the budget for Quorum for budget year beginning in October. Another question came up, and you (council) are aware that the hospital lost about a million dollars year ending last September as to the auditor's report. Now we are discounting the loss we suffered with operating the EMS. By the end of June it had cost the hospital \$122,000 more to administer EMS than we received in county support (tax dollars). So discounting what we lost to EMS, the hospital through the end of June has a \$48,000 profit for the year. It was asked how that turned around that quick and the \$161,000 loss in last year's budget that EMS cost us over what we were reimbursed but we still lost \$843,000 as of September last year. Most of that was in bad debt that should have been collected. It was in AR that was not managed by previous management. Money that was earned but not collected because the previous management did not go after the money - \$700,000 was lost in bad debt and that is what attributed mostly to the loss. We are not paying service charges - \$30,000 in service charges paid last year that we are not paying this year because our bills are being paid on time. Surgery is down, and we paid \$17,000 less in surgical supplies. Hopefully that turns around.

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The business office salaries are down \$23,000; combined housekeeping and maintenance and that generated –saved \$28,000 and it is working just fine. Actually, had previous management that did a lot of outside consulting that he told the board he had to have to do this and that, but our fiscal consulting we have saved \$50,000. Those three plus the \$700,000 makes \$849,000 which explains the turn around compared to last year.” Comments by the Administrator: “Concerning the EMS loss, we have looked at that from the standpoint of the distributions the hospital got for running the ambulance service versus what was indicated to them as their projected compensation from the county. If you will remember, when the hospital was financially on very hard times back during the last of last year, for EMS purposes, we put them on level payments. In the months prior to going on the level payments system, that was the low ebb of the tax collection cycle, so we were getting very small amounts of money. They weren’t even coming up to the minimum payment. When they were put on the level payment and subsequently all of the dollars for real property starting coming into the treasurer’s office, a big part of the collection cycle, they were still getting only level payments of \$43,000 (approximately). Going back and looking at what the mill levy actually collected for them we do have \$114,000 that the mill levy collected (actually \$113,792.44). They were guaranteed a minimum of \$508,000.00. The question is whether the council wants to distribute them the difference between what they collected and 508,000 or the difference between what they collected from us so far and what the mill value actually brought in. One would put them at \$114,000, the higher amount, and the lower amount meeting the 508,000 would be about \$106,000.00. In other words, we have a distribution to make to keep them whole on the EMS; question is whether to do that in the form of giving them everything that the mill brought in or just make them whole up to \$508,000.00. The hospital board chairman has just said that they were down \$122,000 – that is the loss they have right now. The council can distribute as much as \$114,000 of that to them. At least \$106,000 goes to them anyway because that would make them whole at the \$508,000 level that we promised them. This has to do with the payments that come in for real property during the tax cycle. We had put them on level payments just as the big payments were coming in. If they had stayed under the old system they would have gotten the big distribution in January and February. So, we do have a payment to make to them and the question I put before council is do we give them everything that the mill levy brought in for ambulance services, which we would have done had we not put them on level payment system, or do we just make them whole the \$508,000, which is the minimum we promised them for running the service.” Chairman Kneece made the motion to give them what was promised to them (give them everything that the levy collected because they would have gotten that had they not been on the level payment system). Motion seconded by Councilman Hudson. Motion carried unanimously. Mr. Feltham thanked council.

Mr. Feltham talked about the budget: raise for the employees; new roof for the hospital (hope to put it off until 2005); phone system. Discussed Quorum again. Mr. Feltham said he wanted to go on record as saying that “no information that has been presented to you since the previous CEO and CFO, has been less than the absolute truth as we knew it at

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the time. Actually, the information was presented by them; we just did not play the part as we should have in verifying information that was given to the county council by the previous hospital management. One of the programs we have now our finance committee works directly with the outside auditors without management participating so the board has direct ties with the auditors – not influenced by the hospital management. Butch Bull heads up that committee. Susan Yarborough and Goldie Dean also serve on that committee.” Mr. Kneece and Mr. Bright expressed their displeasure at retaining Quorum.

Mr. Sam Gregory, Edgefield County Hospital CEO, thanked council for allowing him to speak and looked forward to working with them for many years. “This budget was not based upon any expansion of the contract – does not have any Quorum contract numbers except for the one month Mr. Feltham indicated to you.” Mr. Gregory reviewed the hospital budget (budget is attached to the minutes). Mr. Adams, County Administrator, asked Mr. Gregory if the disproportionate share would now be a stable source of funding. Mr. Gregory said they hope will be, but there is always that possibility with the changes in the federal government and the allocation of various regulations we may or may not be able to depend upon that. Haven’t as yet received that money.

Chairman Kneece asked John Pettigrew, Jr. (hospital board) if he had would like to comment concerning the hospital. He stated he had enjoyed serving on the board and had learned a lot about health care. Has confidence in the new management team at the hospital: Sam Gregory, Troy Pickens. They are capable of running the hospital. Mr. Pettigrew said he agreed about Quorum: probably provided a little help in the past but can go forward without them. Good decision the board has made to tell them thank you and good bye. He agreed with Mr. Gregory that the patient mix at the hospital needs to be improved. Hospital needs more patients, more patients that have insurance. Insurance pays more than the Medicare/Medicaid. Hope in the not too distance future the hospital can offer more services.

Next item of new business was the appointment of two recreation commission members pursuant to Ordinance No. 03-04-437. Mr. Kneece made a motion to appoint Councilmen Dorn and Kitchens to serve as recreation commission members. Motion carried unanimously.

Mr. Bob Brookover (SC Recreation Development Project) addressed council concerning the Edgefield County Recreation Project. Mr. Brookover explained that the South Carolina Recreation Project is run through Clemson University. “It is funded by the State through our Public Service Activities Budget. It has been in existence since 1991 and we are in the process this coming year of changing our delivery model. In the past we have focused on individual small communities. As a matter of fact we were in Edgefield from 1992 to 1994 (believe we have worked with Johnston in the past also. Marshall Johnson, State PRT, and Jim Headley, SC Recreation Parks Assoc., are centrally involved with this program (serve on the board of directors). This coming year we want to begin working

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with counties because we feel countywide programs are the way to go in South Carolina. The mission of the SC Recreation Development Program is to assist counties with the development and improvement of recreation services and the delivery of those services and act as the clearinghouse for public service requests from recreation agencies throughout the state. The board discussed which county in the state to begin this program as a model and Edgefield County is the strongest candidate. Would like to help Edgefield County over the next three years by helping to get the county's program started (**see attachment**). Motion was made by Councilman Bright to accept the presentation as information and have Mr. Dorn and Mr. Kitchens take it before the Recreation Commission for their consideration. Motion carried unanimously.

At this time Councilman Dorn spoke on the use of PARD funds in the past.

No **Old Business**.

Guests

Ms. Gloria Bynum stated that she had just moved back to Edgefield County and would like very much to get involved and find out what is going on. She was very much in favor of the presentation by Frank Feltham and Sam Gregory; agreed an effort should be made to keep 'patients' here in Edgefield; thought senior citizens program is a very good one; in agreement with a recreation program. Would like to see something done with old vacant buildings for the youth; doing things for the senior citizens.

Johnny Anderson appeared before council. Assumed there was no update on the airport. Maintenance at the airport has now been cancelled by the FAA – will now be taken care of by Mike and himself. Revenue comes from the tenants of the airport. Money from people based there will be used for the maintenance. The administrator reminded Mr. Anderson there are remaining provisions to be sorted out with the other one acre and hangar and there are some differences between Plane Fun and the group that has the other hangar about whether it is going to be included in the Plane Fun lease. Those persons who have the lease on the other one acre and the hangar don't want to be incorporated into your lease with the county when their lease expires in 2008. Also some concerns about whether their lease itself was a proper lease. We don't find anything about a public hearing and an ordinance on that either. The way the lease reads, you will honor all *prior valid* leases. Two problems for the people with the other acre/hangar. Number one, if it is determined that that lease was not valid because, like the original lease with Plane Fun, they did not have an ordinance or a public hearing, then they are subsumed by your lease automatically. Number two is because it references prior leases, and theirs lapses in 2008, they then would have to be under you in 2008 regardless. They have expressed to council that they don't want to be part of the lease between you and the county. Mr. Anderson said that "the problem is Mike and I pretty much run the airport; county does not want anything to do with it and I understand that. We do it at no cost to the county, but people- and I understand they have a lease and they have it to 2008 and it can stay that was as far

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as I am concerned.” The Administrator pointed out to Mr. Anderson: “That is an easy point to gloss over. There are 100 acres there that the county has ownership of. The county’s cost is its opportunity cost with those 100 acres and what they might be worth in a sale or put to some other use; can’t say there isn’t a cost.” There was further discussion by Mrs. Anderson and Mike Herlihy concerning the leases. The county attorney stated there is an attorney representing the county, an attorney representing Johnny Anderson and Mike Herlihy and an attorney representing the other group. The attorneys need to work it out. The chairman agreed. Turn it over to them.

No executive session.

Claims approved as follows:

A.	PAYROLL:	6/23/03 thru 7/6/03	
	Regular.....		\$91,358.56
	PAYROLL:	7/7/03 thru 7/20/03	
	Regular.....		\$110,308.27
	PAYROLL:	7/21/03 thru 8/3/03	
	Regular.....		\$106,177.55
B.	GENERAL OPERATING.....		\$948,800.68

There being no further business, Councilman Dorn made a motion, seconded by Councilman Hudson to adjourn. The next regular scheduled meeting will be held at 6:00 P. M. Tuesday, September 1, 2003.

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C. Monroe Kneece, Chairman

Willie C. Bright, Vice Chairman

Norman Dorn, Councilman

Joel D. Hudson, Councilman

B. Everette Kitchens, Councilman

ATTEST

Barbara R. Stark, Clerk to Council